

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT NO. 2556.

LISTED JUNE 27, 1972.

2,707,603 common shares without par value of which  
672,300 shares are subject to issuance  
Stock Symbol MRE  
Post Section 10

## THE TORONTO STOCK EXCHANGE

### L I S T I N G   S T A T E M E N T

### *file* **MELTON REAL ESTATE LTD.**

Incorporated under the Laws of the Province of Alberta  
by Memorandum of Association dated November 29, 1968.

#### CAPITALIZATION AS AT APRIL 14, 1972

SHARE CAPITAL	Authorized	Issued and Outstanding	To Be Listed
N.P.V. Common Shares	3,000,000	2,035,303	2,707,603
NOTE: 672,300 subject to issuance to bearers of warrants			
FUNDED DEBT			
10% Debentures — Series A, of which 25% mature on July 31 in each of the years 1973 to 1976 inclusive	\$1,200,000	\$1,111,500	nil

#### 1.

#### APPLICATION

Melton Real Estate Ltd. (hereinafter called the "Company") hereby makes application for the listing in The Toronto Stock Exchange of 2,707,603 common shares without par value in the capital stock of the Company, of which 2,035,303 have been issued and are outstanding as fully paid and non-assessable. The remaining 672,300 common shares included in this application have been reserved for issue to bearers of warrants.

#### 2.

#### HISTORY

The Company was incorporated in 1968 under the Laws of the Province of Alberta by an amalgamation of six Companies which were also incorporated under the Laws of the Province of Alberta.

The predecessor Companies were:

Melton Real Estate Ltd. which was a real estate sales organization, and two of its subsidiaries, Stanley Investments Ltd. and Sillton Developments Ltd., whose main activities were mortgages and land development; Trans-Canada Mortgage Corporation (Western) Ltd. and two subsidiaries, Trans-Canada Mortgage Holdings Ltd. and Trans-Canada Mortgage Corporation Ltd. All three were active in the mortgage business.

#### 3.

#### NATURE OF BUSINESS

The Company is engaged in real estate brokerage, land development, development of and investment in revenue properties and mortgages. The Company has 310 employees.

#### 4.

#### INCORPORATION

The Company was incorporated under the Laws of the Province of Alberta by memorandum of association dated November 29, 1968, with an authorized capital of 3,000,000 common shares without par value.

5. **SHARES ISSUED SINCE INCORPORATION**

Common shares without Par Value

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
December 9, 1968	1,749,803	\$ .60	\$1,049,881	Issued to shareholders on amalgamation
December 23, 1968	100,000	\$1.60	\$ 160,000	Increase employee participation
February 3, 1969	1,200	\$2.00	\$ 2,400	Awards to employees
April 20, 1969	182,501	\$2.00	\$ 365,002	Expansion of land development
January 4, 1971	300	\$1.30	\$ 390 )	)
July 21, 1971	1,200	\$1.30	\$ 1,560 )	Conversion of share purchase warrants
December 20, 1971	300	\$1.30	\$ 390 )	)

6. **STOCK PROVISIONS AND VOTING POWERS**

Each common share carries one vote at all meetings of the shareholders.

7. **DIVIDEND RECORD**

<u>Payment Date</u>	<u>Rate</u>	<u>Amount</u>
June 15, 1969	2½¢	\$50,837
December 15, 1969	2½¢	50,836
September 1, 1971	5¢	101,750

8. **RECORD OF PROPERTIES**

Five Residential revenue properties containing 153 units. Three Commercial revenue properties containing 61,200 sq. ft.

Land held for development:

<u>Location</u>	<u>Acreage</u>	<u>Condition</u>	<u>Title</u>
Edmonton	25% of 360 acres 1/3 of residential lots in 550 acres 37½% of 83 acres	Raw land Raw land Raw land	Owned Option Owned
Spruce Grove	160 402 50% of 150 acres 310	Raw land Raw land Raw land Raw land	Owned Mortgaged Owned Option
Leduc	160 174	Raw land Raw land	Owned Mortgaged
Calgary	920	Raw land	Option

9. **SUBSIDIARY COMPANIES**

See Appendix, Page 6.

10. **FUNDED DEBT**

(a)

<u>Description of Issue</u>	<u>Aggregate Amount Authorized</u>	<u>Principal Amount Outstanding</u>	<u>Maturity Date</u>	<u>Interest Dates</u>
10% Debentures, Series A	\$1,200,000	\$1,111,500	*July 31, 1976	June 1 and December 1

\*The principal of each debenture will mature 25% on July 31 in each of the years 1973 to 1976 inclusive. Each \$500 debenture carried a share purchase warrant for 300 common shares.

(b) Redemption

The debentures are redeemable prior to maturity in whole at any time or in part from time to time, at the option of the Company, on not less than ninety days' notice at prices equal to the following percentage of the principal amount thereof, together in each case with accrued and unpaid interest to the date fixed for redemption, at prices equal to the following percentages of the principal amount thereof:

In case of redemption up to and including July 31, 1973 — 103%;  
thereafter up to and including July 31, 1974 — 102%;  
thereafter up to and including July 31, 1975 — 101%

(c) Security

The Series A Debentures are, in the opinion of counsel, secured by a first floating charge under the laws of the Province of Alberta on the understanding and all the properties and assets of the Company now owned or hereafter acquired.

(d) Funded Debt of Subsidiary

Trans-Canada Joint Mortgages Corporation Ltd. formerly solicited funds for investment in mortgages. The security given was investment certificates and an interest in units of mortgages. In October 1968 it ceased accepting funds and investing in mortgages. Commencing December 31, 1968, quarterly payments of interest and principal have been made on a pro rata basis to all investors. The liability to investors was \$9,911,592 at September 30, 1968, and \$6,834,487 at March 31, 1972. The period estimated to complete payment is seven years. The British Columbia Securities Commission have been kept fully informed on the program to phase out this subsidiary company.

11. **OPTIONS, UNDERWRITINGS, ETC.**

- (a) There are no stock options outstanding.
- (b) There are no underwriting agreements outstanding.

Other Reserved Shares:

672,300 shares are reserved for issue to bearers of warrants. Bearers of the warrants may purchase one common share for each warrant on the following basis: \$1.30 per share up to and including August 31, 1973; thereafter and up to and including August 31, 1974, at \$1.50 per share; thereafter and up to and including August 31, 1975, at \$1.75 per share; thereafter and up to and including August 31, 1976, at \$2.00 per share.

12. **LISTING ON OTHER STOCK EXCHANGES**

The common shares and share purchase warrants of the Company are listed on the Vancouver Stock Exchange.

13. **STATUS UNDER SECURITIES ACT**

Particulars of any filing, registration, approval or qualification with or by the Ontario Securities Commission or any corresponding governmental body or authority are as follows:

- (a) The Alberta Securities Commission issued its official receipt dated August 26, 1970, acknowledging receipt of the material required under The Securities Act, 1967 (Alberta), authorizing the sale to the public in the Province of Alberta the securities described hereunder:  
\$1,200,000 10% Debentures, Series A, with 720,000 shares (without nominal or par value) offered in units, each to consist of a \$500 10% Debenture, Series A, and a Share Purchase Warrant for 300 Shares, according to the terms and conditions of the prospectus accepted for filing.

The British Columbia Securities Commission, on July 22, 1970, declared that the above offering to shareholders to be exempt from registration under the provisions of the Securities Act, 1967 (British Columbia).

The Company subsequently issued \$600,000 of the above offering.

- (b) On June 14, 1971, at the Company's request, the Alberta Securities Commission suspended the Company's registration as a security issuer with respect to the Series A Debentures.
- (c) The Alberta Securities Commission issued its official receipt dated July 16, 1971, acknowledging receipt of the material required under The Securities Act, 1967 (Alberta), to exempt the following offering to shareholders of the Company from the provisions of The Securities Act, 1967 (Alberta):  
A rights offering for \$600,000 10% Debentures, Series A, with 360,000 shares (without nominal or par value) offered in units, each to consist of a \$500 10% Debenture, Series A, and a Share Purchase Warrant for 300 shares, under the same terms and conditions as the original offering.

The British Columbia Securities Commission issued its official receipt dated July 29, 1971, granting an exemption under their act to the above offering.

14. **FISCAL YEAR**

The fiscal year of the Company ends on December 31 in each year.

15.

#### ANNUAL MEETINGS

The Articles of Association of the Company provide that the annual meeting of the Company shall be held either within or without the Province of Alberta on such date as the Board of Directors may determine provided that an annual meeting is held at least once in each calendar year and not more than sixteen months after the holding of the last preceding annual meeting.

The last annual meeting was held at 8:00 p.m. on April 18, 1972.

16.

#### HEAD AND OTHER OFFICES

The head office is located at 10310 Jasper Avenue, Edmonton, Alberta, Canada.

The Company and its subsidiaries have sixteen sales offices in Edmonton, Calgary, Vancouver and Saskatoon.

17.

#### TRANSFER AGENT

The Transfer Agent of the Company is:

The Royal Trust Company at its principal offices in Edmonton, Vancouver and Toronto.

18.

#### TRANSFER FEE

No fee is charged on stock transfers other than the customary Government stock transfer taxes.

19.

#### REGISTRAR

The Registrar of the Company is:

The Royal Trust Company, Edmonton, Vancouver and Toronto.

20.

#### AUDITORS

The auditors of the Company are:

Willets, Macmahon & Company, Chartered Accountants, 400 Baker Centre, Edmonton, Alberta.

21.

#### OFFICERS

Name	Office	Home Address	Principal Occupation During Past Five Years
Stanley Louis Melton	President	Edmonton, Alberta	President, Melton Real Estate Ltd.
John Robert Sherrin	Vice-President	Edmonton, Alberta	Vice-President, Melton Real Estate Ltd.
William Garfield Holmes	Secretary-Treasurer	Edmonton, Alberta	Secretary-Treasurer, Melton Real Estate Ltd.

22.

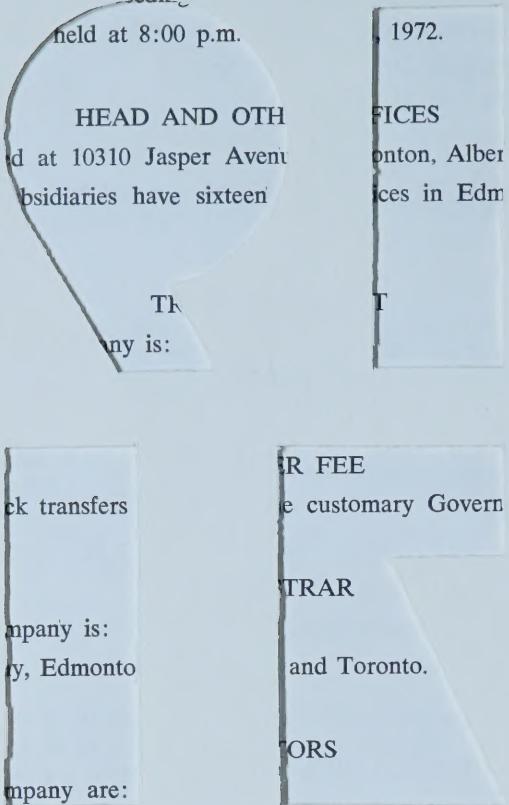
#### DIRECTORS

Name	Home Address	Principal Occupation During Past Five Years
Stanley Louis Melton	30 Riverside Crescent Edmonton, Alberta	President, Melton Real Estate Ltd.
John Robert Sherrin	8927-142nd Street Edmonton, Alberta	Vice-President, Melton Real Estate Ltd.
William Garfield Holmes	15940 Patricia Drive Edmonton, Alberta	Secretary-Treasurer, Melton Real Estate Ltd.
Stewart Murrary Beckhuson	13827-90th Avenue Edmonton, Alberta	Vice-President, Trans-Canada Joint Mortgages Corporation Ltd. Prior to February 1969 — President, Trans-Canada Savings & Trust Corporation
Georges Reginal Brosseau	5135 Lansdown Drive Edmonton, Alberta	Barrister and Solicitor, partner in the firm of Brosseau Maccagno
Leo Gerard Lemieux	7127 Saskatchewan Drive Edmonton, Alberta	President, Gateway Building Supplies Ltd.
The Honourable Ernest Charles Manning	Box 2317 Edmonton, Alberta	President, M & M Systems Research Ltd. Prior to January 1969 The Honourable E. C. Manning was Premier of the Province of Alberta.



## Annual Report

**MELTON**  
REAL ESTATE LTD.



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- Notes to Financial Statement
- Auditors' Report
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- Real Estate Sales Division Report
- Land Development Department
- Real Estate Investment Department
- Offices and Senior Personnel

Georges Reginal Brosseau	5135 Lansdown Drive Edmonton, Alberta	Barrister and Solicitor, partner in the firm of Brosseau Maccagno
Leo Gerard Lemieux	7127 Saskatchewan Drive Edmonton, Alberta	President, Gateway Building Supplies Ltd.
The Honourable Ernest Charles Manning	Box 2317 Edmonton, Alberta	President, M & M Systems Research Ltd. Prior to January 1969 The Honourable E. C. Manning was Premier of the Province of Alberta.

Brookwood Park Home Parade, Spruce Grove, Alberta



Hillington Court, Townhouse Complex, Edmonton, Alberta.



Grove Plaza Shopping Centre, Spruce Grove, Alberta.



Head Office A. E. Austin Co. Ltd., Vancouver, B.C.

## ANNUAL MEETING

**April 18th, at 8:00 p.m.**

EDMONTON REAL ESTATE BOARD  
Co-operative Listing Bureau Auditorium  
10515 Princess Elizabeth Avenue  
Edmonton, Alberta

# DIRECTORS EXAMINE PLANS FOR GROVE PLAZA SHOPPING CENTRE



DIRECTORS: Left to right, W. G. Holmes, Sen. E. C. Manning, S. L. Melton, S. Beckhuson, J. R. Sherrin, G. R. Brosseau, B.A., LL.B., Absent L. G. Lemieux.

## CORPORATE INFORMATION

### OFFICERS

Stanley L. Melton ----- President  
John R. Sherrin ----- Vice-President  
William G. Holmes, C.A. ----- Secretary-Treasurer

### HEAD OFFICE

Melton Building, 10310 Jasper Avenue  
Edmonton, Alberta

### AUDITORS

Willets Macmahon & Co.

### SOLICITORS

Field Hyndman

### REGISTRAR AND TRANSFER AGENT

Royal Trust Company  
Edmonton — Vancouver

### BANKERS

Canadian Imperial Bank of Commerce

### STOCK LISTED

Vancouver Stock Exchange

Georges Reginal Brosseau

5135 Lansdown Drive  
Edmonton, Alberta

Barrister and Solicitor, partner in the  
firm of Brosseau Maccagno

Leo Gerard Lemieux

7127 Saskatchewan Drive  
Edmonton, Alberta

President,  
Gateway Building Supplies Ltd.

The Honourable  
Ernest Charles Manning

Box 2317  
Edmonton, Alberta

President, M & M Systems Research  
Ltd. Prior to January 1969 The Hon-  
ourable E. C. Manning was Premier  
of the Province of Alberta.



## PRESIDENT'S REPORT TO SHAREHOLDERS

S. L. MELTON

On behalf of the Board of Directors I am pleased to submit the Annual Report on your Company's operations for the year ending December 31st, 1971.

Your Company experienced a year of substantial growth. There was a good supply of mortgage funds and interest rates were lower than the preceding year which greatly assisted an increase in the number of new housing starts over the preceding year.

Consolidated net earnings of the Company for the year after provision for current and deferred income tax were \$516,892 representing 25c a share. The cash flow was 47c per share.

The net earnings for 1971 show an increase of 128% over the preceding year caused primarily by the increase in the number of lots sold in subdivisions we are developing and an increase in volume of real estate sales.

In the Real Estate Sales Division the Saskatoon Branch had the largest percentage increase in sales, reflecting the improved economy of Saskatchewan.

The total assets of the Company increased by almost 50% during the year.

During the year the Company offered to our Shareholders \$600,000 worth of 10% Debentures in units of \$500 with a Warrant to purchase 300 shares, and 85% of this offering was subscribed to.

More detailed information on the activities of the Company will be found throughout the report.

During 1971 we expanded our activities to British Columbia through the acquisition of A. E. Austin & Co. Ltd., a long, well established and highly regarded real estate firm in the City of Vancouver.

We secured an option to purchase 920 acres of land in north west Calgary, 600 acres is within the City boundaries and 320 acres is immediately adjacent to the City, and we are confident that this will be a very worthwhile and profitable investment for the Company.

In addition, during 1971 we commenced negotiations to acquire a 50% interest in 250 acres in the City of Kamloops in British Columbia. This transaction was completed after the year end.

Your Directors are optimistic for the operation of the Company and are projecting that net earnings for 1972 will increase over the previous year.

Your Directors have approved the payment of a dividend of 6c a share payable June 30th, 1972 to all Shareholders of record as at June 15th, 1972.

We wish to express our thanks and appreciation to all our personnel for their sincere and dedicated efforts on behalf of the Company.

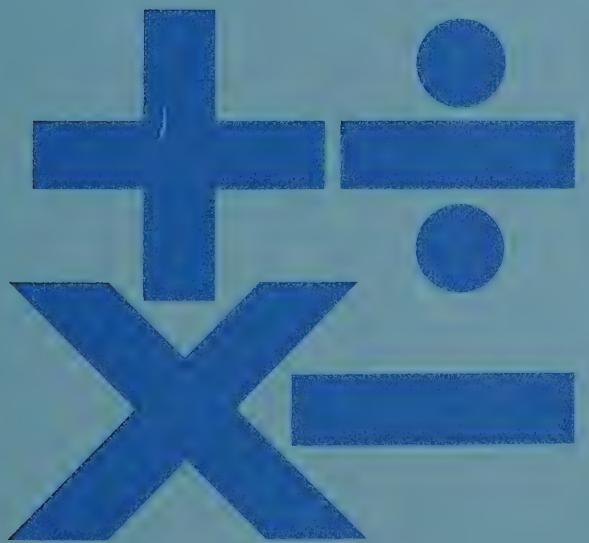
And our thanks to our Shareholders for their interest and support.

ON BEHALF OF THE BOARD OF DIRECTORS

*S. L. Melton*  
S. L. Melton



# Financial Report





## MELTON REAL ESTATE LTD. AND SUBSIDIARY COMPANIES

## CONSOLIDATED STATEMENT OF INCOME

For the year ended December 31, 1971

(with comparative figures for 1970)

	<u>1971</u>	<u>1970</u>
Income		
Gross revenue from commissions, fees and property management	\$ 3,370,282	\$ 2,357,109
Profit on sale of real estate	736,270	158,543
Rental income	268,918	250,843
Mortgage interest and discounts	206,663	181,817
Other	12,309	8,756
	4,594,442	2,957,068
Expenses		
Operating expenses	3,203,987	2,246,558
Property operating expenses	101,561	83,812
Interest	161,200	133,316
Depreciation	56,414	43,956
Loss on investments	36,224	—
	3,559,386	2,507,642
Income before income taxes	\$ 1,035,056	\$ 449,426
Provision for income taxes — Note 6		
Current	\$ 156,914	\$ 155,448
Deferred	361,250	68,221
	518,164	223,669
Net income	\$ 516,892	\$ 225,757
Earnings per share		
Weighted average of number of shares outstanding during each year	\$ .25	\$ .11

## MELTON REAL ESTATE LTD. AND SUBSIDIARY COMPANIES

## CONSOLIDATED BALANCE SHEET

December 31, 1971

(with comparative figures for 1970)

## ASSETS

	<u>1971</u>	<u>1970</u>
Accounts Receivable:		
Land Sales	1,924,983	271,047
Other	159,088	87,475
Receivable Estate Held for Resale — at cost — Note 2	2,993,617	1,729,663
Prepaid Expenses and Deposits	10,085	7,240
Mortgages and Notes	920,254	1,402,892
Investments — Notes 1 and 3	386,377	486,618
Rental Properties, complete and in progress, other fixtures and leaseholds, at cost, less accumulated depreciation — Note 4	3,989,820	2,950,292
Deferred Financing Costs	11,863	11,214
Goodwill	251,301	181,505
	<hr/>	<hr/>
	<u>\$10,647,388</u>	<u>\$ 7,127,946</u>

ON BEHALF OF THE BOARD:

S. L. Melton

Director

W. G. Holmes

Director

### LIABILITIES AND SHAREHOLDERS' EQUITY

	1971	1970
Bank Advances — Note 5	380,602	189,028
Accounts and Notes Payable	291,742	381,034
Provision for Land Development Costs	1,329,368	193,481
Income Taxes Payable	3,675	47,916
Agreements Payable on Real Estate Held for Resale — Note 7	554,042	576,702
Deferred Income Taxes — Note 6	583,446	223,032
Mortgages Payable on Rental Properties — Note 7	2,733,590	1,674,812
10% Debentures Payable, Series A — Note 8	<u>1,111,500</u>	<u>600,000</u>
 Total Liabilities	 <u>6,987,965</u>	 <u>3,886,005</u>
 Shareholders' Equity		
Share capital — Note 9		
Authorized — 3,000,000 shares of no par value		
Issued — 1970 — 2,033,503 shares — 1971 — 2,035,303 shares	1,579,623	1,577,283
Retained earnings	<u>2,079,800</u>	<u>1,664,658</u>
	<u>3,659,423</u>	<u>3,241,941</u>
	<u><u>\$10,647,388</u></u>	<u><u>\$ 7,127,946</u></u>

MELTON REAL ESTATE LTD. AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

For the year ended December 31, 1971  
(with comparative figures for 1970)

	<u>1971</u>	<u>1970</u>
Balance, beginning of year	\$ 1,664,658	1,438,901
Net income for the year	<u>516,892</u>	<u>225,757</u>
	2,181,550	1,664,658
Dividends paid	<u>101,750</u>	<u>—</u>
Balance, end of year	<u>\$ 2,079,800</u>	<u>\$ 1,664,658</u>



REPORT TO SHAREHOLDERS  
for the 3 months ended  
March 31st, 1972.

## TO THE SHAREHOLDERS:

You will note from the accompanying statement of income and expense that your company experienced a very good first quarter. Earnings for the first three (3) months of 1972, after allowing for income tax, amounted to \$218,107 or 10.7 cents per share. Cash flow amounted to 13.4 cents per share.

This is a substantial improvement over the same period last year and can be attributed to a considerable increase in income from commissions, fees, and profit on sale of real estate.

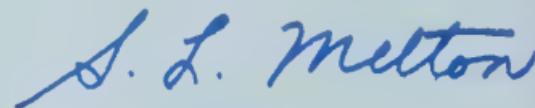
Income from the Sales Division was at a record high for the first quarter. All branches reported an increase in income.

Lot sales were exceptionally good in the subdivisions we are developing in the towns of Spruce Grove and Leduc. The continued need and demand for well constructed, lower cost single family homes together with an adequate supply of mortgage funds at more reasonable rates, were major factors in the increase in sales in these subdivisions.

The improvement in the net income of the company is in line with your directors' anticipation of an active and successful year for the real estate industry. It should be pointed out that the directors had expected 1972 to be a good year for your company and anticipated higher sales and earnings than last year. However, the same percentage increase in sales and income achieved in the first quarter may not prevail for the balance of the year.

General economic conditions for 1972 appear to be good and the demand for real estate, particularly in the west, will be strong and we look forward to a very successful year.

Respectfully Submitted,



S. L. MELTON  
PRESIDENT

# MELTON REAL ESTATE LTD. AND SUBSIDIARY COMPANIES

## Consolidated Statement of Income

For the three months ended March 31, 1972 (unaudited)  
(With comparative figures for the three months  
ended March 31, 1971)

	<u>1972</u>	<u>1971</u>
<b>Income:</b>		
Commissions, fees	\$950,331.	\$504,899.
Profit on sale of real estate	398,858.	30,786.
Rental income	97,989.	64,023.
Mortgage interest and discounts	80,009.	23,882.
Other	3,061.	1,668.
	<u>\$1,530,248.</u>	<u>\$625,258.</u>
<b>Expenses:</b>		
Operating expenses	\$909,105.	\$504,464.
Property operating expenses	50,813.	24,506.
Interest	95,182.	30,935.
Depreciation	30,296.	10,797.
Loss on investments	—	49,000.
	<u>\$1,085,396.</u>	<u>\$619,702.</u>
Income before income taxes	\$444,852.	\$ 5,556.
Provision for income taxes	<u>226,745.</u>	<u>2,778.</u>
Net income	\$218,107.	\$ 2,778.
Retained earnings, beginning of period	2,079,800.	1,664,658.
Retained earnings, end of period	<u>\$2,297,907.</u>	<u>\$1,667,436.</u>
Earnings per share	10.7 cents	.14 cents
Cash flow per share	<u>13.4 cents</u>	<u>3.1 cents</u>

# Melton Real Estate Ltd.

## *HEAD OFFICE*

### **EDMONTON**

Melton Building  
10310 Jasper Avenue  
Phone 403-424-7221

## *OFFICES IN*

### **CALGARY**

Main Office  
534 - 8th Avenue S.W.  
Phone 403-266-8671

### **SASKATOON**

119 - 23rd Street East  
Phone 306-653-3636

### **VANCOUVER**

A. E. Austin & Co. Ltd.  
1435 Kingsway  
Phone 604-879-7571

*Call a Melton Man  
and start packing!*



MELTON REAL ESTATE LTD. AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF  
SOURCE AND USE OF CASH

For the year ended December 31, 1971

Source of Cash

Net income per financial statements .....	516,892
Add: Items not requiring use of cash	
Deferred income taxes .....	361,250
Depreciation .....	56,414
Other .....	26,164
	<b>Cash from operations</b>
	960,720
Mortgage proceeds on rental properties .....	1,069,179
Net increase in other liabilities .....	1,002,354
Issue of 10% debenture, Series A .....	511,500
Reduction in mortgages receivable — net .....	472,392
Proceeds from agreements payable .....	219,460
Proceeds from investments .....	80,239
Issue of shares — exercise of warrants .....	2,340
	<b>Total cash provided</b>
	<b>4,318,184</b>

Use of Cash

Increase in accounts receivable .....	1,729,418
Increase in real estate held for resale .....	1,252,154
Additions to rental properties and other fixed assets .....	1,095,942
Repayment of long-term debt .....	252,521
Dividends .....	101,750
Goodwill .....	69,796
Net increase in other assets .....	8,177
	<b>Total cash used</b>
	<b>4,509,758</b>

Excess of use of cash over source of cash  
represented by increase in bank advances .....

\$ 191,574

MELTON REAL ESTATE LTD. AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1971

**Note 1 — Principles of Consolidation**

The accompanying financial statements do not include the assets, liabilities, and profits of a subsidiary company, Trans-Canada Joint Mortgages Corporation Ltd., which is not consolidated because of the different nature of its business.

**Note 2 — Real Estate Held for Resale**

Real estate held for resale consists of:

	<u>1971</u>	<u>1970</u>
Land — at cost	1,392,105	1,313,215
Interest and property taxes	128,314	104,306
Development costs	1,473,198	312,142
	<hr/> <u>\$ 2,993,617</u>	<hr/> <u>\$ 1,729,663</u>

**Note 3 — Investments**

Investments are as follows:

	<u>1971</u>	<u>1970</u>
Investment in subsidiary company		
— at cost	89,251	89,251
Advances to joint ventures and partnerships — equity basis	287,162	279,966
Other investments — at the lower of cost or net realizable value	9,964	117,401
	<hr/> <u>\$ 386,377</u>	<hr/> <u>\$ 486,618</u>

**Note 4 — Rental Properties, Complete and In Progress, Other Fixtures and Leaseholds**

These assets and related depreciation comprise:

Rental Properties	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>1971</u>		<u>1970 Net</u>
			<u>Net</u>		
Completed					
Land	627,000	—	627,000		703,076
Buildings	3,362,804	132,119	3,230,685		1,009,766
Under construction					
Land	—	—	—		17,005
Buildings	—	—	—		1,171,720
Furniture and leasehold improvements	267,766	135,631	132,135		48,725
	<hr/> <u>\$ 4,257,570</u>	<hr/> <u>267,750</u>	<hr/> <u>3,989,820</u>		<hr/> <u>2,950,292</u>

# MELTON REAL ESTATE LTD. AND SUBSIDIARY COMPANIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 1971

### Note 5 — Bank Advances

The company has assigned its accounts receivable as security for the bank advances.

### Note 6 — Deferred Income Taxes

On a cumulative basis income taxes payable have been reduced by \$583,446 by deferring profits on sale of real estate and by claiming expenses for tax purposes, such as depreciation and carrying costs of real estate in excess of amounts recorded in the accounts. This reduction is applicable to those future years in which these amounts already claimed for tax purposes will be charged against income and accordingly is included in the balance sheet as "Deferred Income Taxes".

### Note 7 — Principal Payments on Long-term Debt

The principal payments due on long-term debt during the next five years are as follows:

	1972	1973	1974	1975	1976
Agreements payable on real estate held for resale	251,388	82,100	82,300	54,400	42,700
Mortgages payable on rental properties	29,740	66,372	36,482	499,353	42,454
	<u>\$281,128</u>	<u>148,472</u>	<u>118,782</u>	<u>553,753</u>	<u>85,154</u>

### Note 8 — 10% Debenture, Series A

The Series A debentures are secured by a deed of trust and mortgage containing a first floating charge on the undertaking and all the property and assets of the company. The principal of each debenture will mature 25% on July 31 in each of the years 1973 to 1976 inclusive.

The Series A debentures are redeemable in whole or in part at the following percentage of the principal amount plus accrued interest to the date of first redemption, if redeemed in the twelve months ending July 31 in each of the following years:

1973	103%
1974	102%
1975	101%

# MELTON REAL ESTATE LTD. AND SUBSIDIARY COMPANIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

**December 31, 1971**

Melton Real Estate Ltd. has the right to purchase debenture Series A in the market or by private contract at prices not exceeding the above percentages of the principal amount plus accrued interest and cost of purchase. Each \$500 debenture carries a share purchase warrant for 300 common shares. Bearers of the warrant may purchase common shares in the company at the following terms:

Price	Date
\$1.30	August 31, 1973
1.50	August 31, 1974
1.75	August 31, 1975
2.00	August 31, 1976

### Note 9 — Share Capital

672,300 shares are reserved for issue to bearers of warrants. During the year bearers of share purchase warrants converted their warrants into 1,800 shares for a consideration of \$2,340.

### Note 10 — Dividend Restrictions

The indenture under which the 10% debentures, Series A, were issued provides that so long as any debentures are outstanding, the Company will not pay any dividends which would have the effect of reducing consolidated retained earnings of the Company and its subsidiaries below \$1,438,901.

### Note 11 — Remuneration Received by Directors and Officers

Salaries and Commissions	98,271
Directors' Fees	5,750
	<u><u>\$104,021</u></u>

### Note 12 — Contingent Asset

The company has a contingent asset arising from agreements which gives the company the right to purchase certain lots, to be derived from the future sub-division of 550 acres of land in the City of Edmonton, at a fixed price substantially lower than the present market value of the lots.

WILLETTS MACMAHON & COMPANY  
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Shareholders of  
Melton Real Estate Ltd.

We have examined the consolidated balance sheet of Melton Real Estate Ltd. as at December 31, 1971 and the consolidated statements of income and retained earnings and source and use of cash for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the consolidated financial position of the company as at December 31, 1971 and the results of its operations and source and use of cash for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Willetts MacMahon & Company*

Chartered Accountants.

EDMONTON, Alberta  
March 8, 1972.

# Financial Report



# ON REAL ESTATE COAST REALTOR

# *Melton six-month profit \$181,038*

**Melton men meet** The board of directors of Melton Real Estate, to meet outside of Edmonton, reports consolidating for the six months ending June 30 was share, 7 re-

The acquisition, it expls' gives Melton's a sales 225 in offices in Edmc gary, Vancouver, an on. Melton's, a vany with head o' nton, previously real; in the cent con- other than Va

The December 6 meeting, will be held in Vancouver, from reflecting to that city with the acquisi- tion of A. E. Austin & Co., Ltd., Vancouver real estate established in 1906, and a company established in April this year. Managers from 70 per cent of the business will be 70 per cent of the business. The December 6 meeting, will be held in Vancouver, from reflecting to that city with the acquisi- tion of A. E. Austin & Co., Ltd., Vancouver real estate established in 1906, and a company established in April this year. Managers from 70 per cent of the business will be 70 per cent of the business.

ended Aug. 31, compared with \$120,731 or 6 cents a year earlier. Revenue was \$260,202, compared with \$656,864.

\$31,391 or 4 cents a share a year earlier.

Sales were \$3,327,476, up from \$2,583,648.

Philip G. Anderson, president, says record royalties contributed substantially to the higher profit. Since sales normally peak in the fourth quarter, he expects profit for

Ahed Music

Ahed Music Corp. Ltd. of  
C reports unaudited

# Spruce Grove opens parade on homes

Spruce Grove mayor, Ken Howery cut a ceremonial ribbon to open the Brook-

winter, will include 300 dwellings of which

## FINANCIAL REVIEW

No operating data is supplied for 1968 since it was a three month period only — figures are in thousands of dollars except for per share data and percentages.

	<u>1971</u>	<u>1970</u>	<u>1969</u>	<u>1968</u>
Real estate held for resale	\$ 2,994	\$ 1,730	\$ 1,912	\$ 924
Mortgages on notes	920	1,403	1,454	1,445
Investments	386	487	602	985
Rental properties and fixed assets	3,990	2,950	1,788	1,796
Other assets	2,357	558	842	372
<b>TOTAL ASSETS</b>	<b><u>10,647</u></b>	<b><u>7,128</u></b>	<b><u>6,598</u></b>	<b><u>5,522</u></b>
Agreements payable —				
real estate held for resale	554	577	654	430
Mortgages payable on rental properties	2,734	1,675	1,186	1,260
Other liabilities	3,116	1,411	1,587	1,367
Deferred income taxes	583	223	155	47
Share Capital	1,580	1,577	1,577	1,210
Retained earnings	2,080	1,665	1,439	1,208
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>10,647</u></b>	<b><u>7,128</u></b>	<b><u>6,598</u></b>	<b><u>5,522</u></b>
Income	4,594	2,957	3,019	
Expenses	3,559	2,508	2,401	
Net income before income taxes	1,035	449	618	
Income taxes	518	223	286	
<b>Net income</b>	<b><u>517</u></b>	<b><u>226</u></b>	<b><u>332</u></b>	
Earnings per share	\$ .25	\$ .11	\$ .17	
Cash flow per share	\$ .47	\$ .15	\$ .24	
Dividends per share	\$ .5	\$ —	\$ .5	
Increase in total assets	49.50%	8.00%	19.50%	

# REAL ESTATE SALES DIVISION REPORT

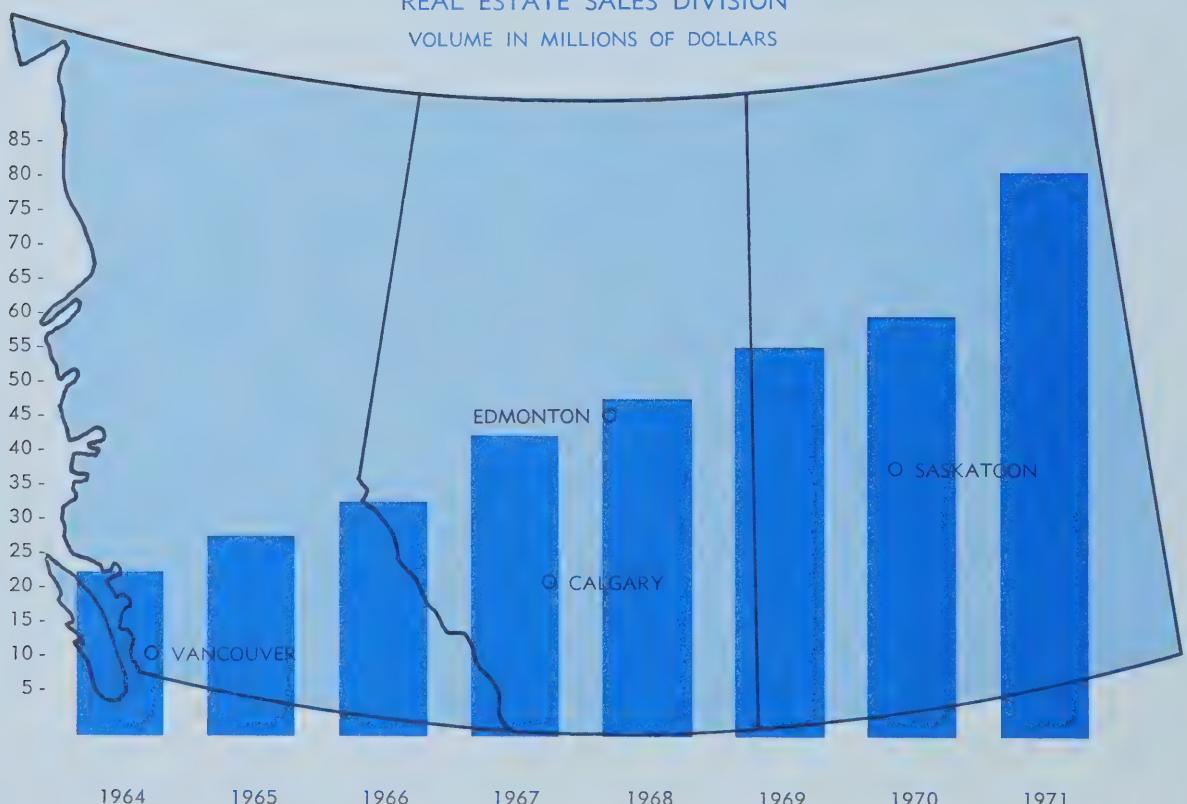


J. R. SHERRIN

investors and developers due to uncertainty caused by the proposed Federal Government Tax Legislation.

The outlook for 1972 appears most promising and the Real Estate Sales Division looks forward to increased sales and profits during 1972.

REAL ESTATE SALES DIVISION  
VOLUME IN MILLIONS OF DOLLARS



Georges Reginal Brosseau

5135 Lansdown Drive  
Edmonton, Alberta

Barrister and Solicitor, partner in the  
firm of Brosseau Maccagno

Leo Gerard Lemieux

7127 Saskatchewan Drive  
Edmonton, Alberta

President,  
Gateway Building Supplies Ltd.

The Honourable  
Ernest Charles Manning

Box 2317  
Edmonton, Alberta

President, M & M Systems Research  
Ltd. Prior to January 1969 The Hon-  
ourable E. C. Manning was Premier  
of the Province of Alberta.

## REAL ESTATE SALES DIVISION REPORT

### EDMONTON



H. G. DUNDAS

Real Estate sales in Edmonton increased 19% over the preceding year. We were the leader in sales on the Multiple Listing Service for the 11th consecutive year.

Increased interest in the purchase of new homes in satellite communities was one of the highlights of our residential sales in 1971. Sales of lots and homes in subdivisions of Brookwood Park in Spruce Grove and Corinthia Park in Leduc, which your Company is developing were extremely brisk.



W. G. BENNETT

### CALGARY

Real estate sales in Calgary increased 23% over 1970. Easing of financial restraints allowed for stepped-up sales in the lower and middle price ranged homes during 1971. The addition of a New Home Construction Department provides greater service for our customers.



M. D. DAMBERGER

### SASKATOON

The overall recovery of economic conditions together with expanded sales staff was responsible for a gratifying resurgence of sales in Saskatoon during 1971. Our sales increased 74% over preceding year and we are optimistic that this upward trend will continue.



W. T. MOONEY

### VANCOUVER

A. E. Austin & Co. Ltd., our wholly owned subsidiary in Vancouver, increased their sales in 1971, 19% over the comparable 9 month period of the preceding year. The immediate effect of referrals between our other centres of operation is already apparent. It is our intention to expand this operation by opening two new offices in 1972.



## LAND DEVELOPMENT DEPARTMENT

The function of this Department is to acquire and develop land for residential, commercial and industrial uses on behalf of the Company. The following is a summary of land owned and under option by the Company, and the status of the respective projects.

J. McCRAKEN

### EDMONTON (West Jasper Place)

All lots in the first stage known as Callingwood Subdivision are sold and preliminary plans for the second stage of Thorncliff and Primrose Subdivisions have been approved, and it is our intention to have lots available for sale in this area in 1972.

Plans are being prepared for Westridge Subdivision, the next stage of development. This area is being designed for prime residential development.

### EDMONTON (Riverbend/Terwillegar Heights)

The Company has an Option to purchase  $\frac{1}{3}$  of the Residential lots in 550 acres at a fixed price substantially below present market value. Negotiations are now in progress with the City to have lots available for sale in late 1972.

### EDMONTON (Carleton Square)

This is an Industrial Subdivision in North West Edmonton and parcels are now available for sale.

### CALGARY

A Feasibility Study is in progress. Subject to the results being satisfactory, the Option will be exercised in 1972 and development commenced in late 1972 or early 1973.

This is prime land and it is anticipated that development will include areas for Commercial and Multi-Family use in addition to Single Family lots.

### KAMLOOPS, B.C.

This is a joint venture with the Management being done by this Department. Preliminary planning and engineering studies are now being done with the objective of marketing residential lots in 1972.

### FORT ST. JOHN, B.C.

This land is being held for resale for Industrial Development.

### 37½% Interest in 83 Acres

### TOWN OF SPRUCE GROVE

Land under development	160 Acres	Under Option	310 Acres
Land held for development	402 Acres	50% Interest in	150 Acres

The sale of lots in Brookwood Park Subdivision far exceeded our forecast. As at December 31st, 1971, 315 single family lots were sold, leaving 194 single family, plus some multi-family sites, available for construction in early 1972. All underground services have been installed and construction of surface improvements is well advanced in Stage 1.

In view of the activity here in 1971, we are proceeding with the preparation of preliminary plans for Subdivision for our next stage of development, west of Brookwood Park.

The Outline Plan for Grove Industrial Park (109 acres) has been approved and we are negotiating with the Town for the servicing of this land.

### TOWN OF LEDUC

Land under development	76 Acres	Land held for development	258 Acres
------------------------	----------	---------------------------	-----------

Sale of lots in Corinthia Park have been very good, and during 1971, 211 single family lots and 22 duplex lots were sold, leaving 45 single family lots and a multi-family site available for early 1972. Plans are being prepared for Stage III of this Subdivision.

## REAL ESTATE INVESTMENT DEPARTMENT

The Real Estate Investment Department is responsible for the acquisition and development of income producing properties on behalf of the Company.

Our investment in rental properties increased by over one million dollars during the year. At the present time we own five residential revenue properties consisting of 183 units and three income producing commercial properties representing approximately 50,000 sq. ft.

In 1971 preparatory work was started on the \$650,000 shopping centre at Spruce Grove, being part of the planned program of expansion for this Department.

Planning was initiated during the year for the development in 1972 of more income producing properties, as we intend to increase our investment in income producing real estate.

Georges Reginal Brosseau

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Edmonton, Alberta

Barrister and Solicitor, partner in the  
firm of Brosseau Maccagno

Leo Gerard Lemieux

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of the Province of Alberta.

## OFFICES AND SENIOR PERSONNEL

Head Office	Melton Building, 10310 Jasper Avenue, Edmonton, Phone 424-7221	
President	S. L. Melton	
Vice President & General Manager Brokerage Division	J. R. Sherrin	
Secretary-Treasurer	W. G. Holmes, C.A.	
Investment Division	S. L. Melton	Manager
Land Development Department	J. McCracken	Manager
Advertising & Public Relations	B. J. Shepherd	Manager
Mortgage Department	R. Holthuysen	Manager

### EDMONTON RESIDENTIAL BRANCH

General Manager, H. G. Dundas, 10310 Jasper Avenue, 424-7221

New Home Sales Department 10310 Jasper Avenue Ian McKinnon	424-7221 Manager	South East Office 9006 - 75 Street Tom Henderson	466-1147 Manager
Jasper Place Office 15512 Stony Plain Road Bill Chadwick	489-2551 Manager	South West Office 10820 - 82 Avenue Don Clark	439-3995 Manager
Glenora Office 12418 - 102 Avenue David Crawford	488-0121 Manager	St. Albert 192 St. Albert Drive	599-5595
North West Office 13160 - 118 Avenue Garnet McTaggart	455-9191 Manager	Commercial & Industrial Department 10310 Jasper Avenue Pat Turner	424-7221 Manager
Norwood Office 8308 - 118 Avenue Sam Dudar	479-3231 Manager	Property Management Development 10310 Jasper Avenue Albert Connelly	424-7221 Manager
		Appraisal Department 10310 Jasper Avenue Jim MacNaught	424-7221 Manager

### CALGARY RESIDENTIAL BRANCH

General Manager, W. G. Bennett, 534 - 8th Avenue S.W., 266-8671

North West Office 14 Stadium Shopping Centre Dan Danilowich	289-8406 Manager	17 Avenue Office 320 - 17 Avenue S.W. Ernie DeChamplain	264-2144 Manager
North Hill Office 4, 1818 Centre Street North George Phelps	276-2281 Manager	Commercial & Industrial Department 534 - 8th Avenue S.W. Carl Warren	266-8671 Manager
South West Office 6 Glamorgan Shopping Centre 37 Street & Richmond Road S.W. Tom Heisler	249-5551 Manager	Property Management Department	
Macleod Trail Office 8820 Macleod Trail S.W. Bill Reid	252-1181 Manager	Appraisal Department 534 - 8th Avenue S.W. Ira Knechtel	263-6963 Manager
		Melton Homes Department 534 - 8th Avenue S.W. Orest Harasym	266-8671 Manager

### SASKATOON RESIDENTIAL BRANCH

Main Office 119 - 23 Street East	653-3636	M. D. Damberger	General Manager
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### VANCOUVER RESIDENTIAL BRANCH

A. E. Austin & Co. Ltd.

General Manager, W. T. Mooney, 1435 Kingsway, 879-7571

Kingsway 'A' Office 1435 Kingsway	879-7571 Manager	North Vancouver Office 1348 Marine Drive	985-9544
Kingsway 'B' Office 1435 Kingsway Bert Merrin	879-7571 Manager	Coquitlam Office 1054B Austin Road Bruce Hutchinson	939-4431 Manager

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of the Province of Alberta.

**CERTIFICATE**

Pursuant to a resolution duly passed by its Board of Directors, Melton Real Estate Ltd. hereby applies for listing of the above-mentioned securities on The Toronto Stock Exchange, and the undersigned Officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

MELTON REAL ESTATE LTD.



“S. L. MELTON”,  
President

“W. G. Holmes”,  
Secretary-Treasurer

**DISTRIBUTION OF N.P.V. COMMON STOCK AS OF APRIL 19, 1972**

Number				Shares
59	.....	Holders of	1 — 24 share lots	809
73	.....	” ” 25 — 99	” ” .....	4,843
169	.....	” ” 100 — 199	” ” .....	18,823
140	.....	” ” 200 — 299	” ” .....	30,196
35	.....	” ” 300 — 399	” ” .....	11,196
35	.....	” ” 400 — 499	” ” .....	14,960
83	.....	” ” 500 — 999	” ” .....	55,752
169	.....	” ” 1000 — up	” ” .....	1,898,724
761	Shareholders		Total Shares	<u>2,035,303</u>

APPENDIX (Item 9)

SUBSIDIARY COMPANIES

Name of Company	Share Capital			Percentage Owned by Company	Nature of Business	
	Incorporated	Class	Par Value	Authorized	Issued	
A. E. Austin & Co. Ltd.	British Columbia November 10, 1931	Common	\$1.00	20,000	4,000	100% Realtor in greater Vancouver
6 Melton Homes Ltd.	Alberta September 4, 1959	Common	Nil	4,000	2	100% House Construction
	Alberta February 25, 1948	Common	1.00	20,000	2,000	100% Not active
	Sillton Insurance Agencies Ltd.					
	British Columbia December 23, 1960	Common	Nil	20,000	5,006	100% Not active
	Melton Real Estate (Vancouver) Ltd.					
	British Columbia September 9, 1960	Preferred Common	10.00 Nil	10,000 1,000,000	Nil 250,000	98% Mortgage investments



